

**Residential Hotel  
Proposed Zoning and Regulatory Amendments**

	<b>Existing SRO</b>	<b>Existing LIVING UNIT (Downtown only)</b>	<b><i>Proposed Regulatory Adjustments (Downtown)</i></b>	<b><i>Proposed Regulatory Adjustments (Outside Downtown)</i></b>
<b>UNIT SIZE</b>	70 - 220 square feet	150 - 400 sf average = 275 sf	70-400 square feet average = 235 sf	70-400 square feet average = 235 sf
<b>PARKING</b>	0.2 spaces/unit	0.7-0.9 spaces/unit	0.1 – 0.2 spaces/unit	0.25 – 1.0 spaces/unit
<b>LAND USE</b>	Commercial	Residential	Both in limited zones	Both in limited zones
<b>LIMIT ON NUMBER OF PROJECTS</b>	None	3 allowed in downtown. 2 approved to date.	None	None
<b>CUP REQUIRED</b>	No	Yes	No	No
<b>PRIVATE KITCHEN</b>	Permitted	Partial required (sink, refrigerator, microwave)	Permitted	Permitted
<b>PRIVATE BATH</b>	Permitted	Permitted. Toilet required in each unit.	Full bath permitted in up to 50% of units in market-rate unit; 100% in restricted units	Full bath permitted in up to 50% of units in market-rate unit; 100% in restricted units
<b>INCOME RESTRICTIONS</b>	None required	Required for all units to be affordable to 80% AMI or below	To be determined	To be determined

The Residential Hotel Working Group has proposed changes to land use regulations that apply to SRO units and Living Units. Their goal is to provide builders more flexibility as a way to encourage developers to add new units to the inventory. The recommended regulations would define a type of housing with intentionally fewer amenities than a studio apartment to keep rents low and to allow for new housing to be constructed without public subsidies. It is recommended that flexibility be expanded to allow Residential Hotels to provide units with full or partial kitchen in all rooms. However, the flexibility would be limited as to the provision of a full bathroom (defined as having a toilet, sink, and shower/bathtub). The Working Group would like to restrict the provision of a full bath dependent on whether the units are market-rate or restricted affordable housing. The Working Group has recommended limiting the number of rooms that would be permitted to have full baths to 50% of the total rooms. However, projects with restricted affordability would be allowed full flexibility in providing full, partial, or shared baths. It is believed that this distinction will discourage the conversion of market-rate units, while giving maximum flexibility to developers of restricted affordable housing.

***Downtown***

The proposed regulatory changes within downtown would require the amendment of the three downtown Planned District Ordinances. In addition to the SRO, current downtown zoning allows for a similar housing type called the Living Unit. While SROs are a commercial use, a Living Unit is considered to be a residential use. As such, Living Units are allowed in any residential zone; however, they currently require a Conditional Use Permit (CUP) and are limited to three projects. To date, two projects have been constructed. The Working Group has recommended that the limit on the number of projects be removed and that the projects be subject to a Process 2 approval rather than a CUP. Furthermore, the Living Unit Regulations should be amended to incorporate changes discussed below.

Within downtown, SROs are allowed by right in commercial zones and within a limited number of residential areas as an ancillary use. The Working Group has not recommended changes to this zoning. For simplification, the Working Group has recommended that the two land-use classifications merge into one Hybrid land use that retains the features described above, including zoning rights.

***Outside of Downtown***

Outside of downtown, SROs are currently allowed in any zone in which a hotel is allowed. This includes several commercial zones and a number of high-density residential zones. All zones are transit-oriented locations. No changes are recommended in this area.

Currently SROs are not called out as a separately regulated use within the City's zoning code; however, they have been interpreted to be a Visitor Accommodation in other sections of the Municipal Code. It is recommended that the land-use classification remain the same; however, be called out as a Separately Regulated Use. It is further recommended that it be listed as a Limited Use with a reference to Special Regulations developed in accordance with the Work Plan described in this report.

Outside of downtown, there are 15 Planned District Ordinances (PDO), which may contain conflicting underlying zones. It is recommended that these communities consider whether they would to amend their PDOs to integrate the Residential Hotel Work Plan.

The Working Group has recommended that Special Regulations be developed to specify the size and amenities of Residential Hotels and Residential Hotel Rooms. It is recommended that the size of Residential Hotel Rooms be allowed to be between 70 and 400 square feet with a requirement that the average unit size within the project be no greater than the 235 square feet. The proposed change would allow a wider range of unit sizes, but require the average unit size to be modest to encourage affordability.